RESPONSE

Claims 1-15 are pending in this application. Claims 1-15 stand rejected under 35 U.S.C. § 112 ¶ 2, claims 1-11 stand rejected under 35 U.S.C. § 101, and claims 1-15 stand rejected under 35 U.S.C. § 102(e) over U.S. Patent Publication No. 2002/0169703 to Lutnick et al. Claims 1, 8, 12 and 14 are independent claims. Claims 1-9, 11, 12, 14 and 15 have been amended to more clearly define Applicant's invention. Applicant respectfully traverses the rejection and requests reconsideration and allowance of the claims in light of the following remarks.

Rejection of Claims under 35 U.S.C. § 112 ¶ 2

The Office Action rejected claim 14 under 35 U.S.C. § 112 ¶ 2. The Office Action asserts that claim 14 invokes 35 U.S.C. § 112 ¶ 6 with respect to the claim element reciting "a means for allowing said requestor to trade on said responses," but that the written description fails to disclose corresponding structure. In particular, the Office Action asserts there is no algorithm given in the specification to enable one to perform this function. (OA ¶ 5). Applicant respectfully traverses this rejection. As described on page 9, lines 10-20, of the Specification, and Figure 1B, the Applicant has clearly described the corresponding algorithm to perform the function recited in this claim limitation.

The Office Action also rejected claims 1-15 under 35 U.S.C. § 112 ¶ 2. The Office Action asserts that there is no antecedent basis for "said trader" in the last two limitations of each independent claim, as well as the dependent claims. The Office Action notes that the Applicant used the term "plurality of traders," but purportedly failed to define "said traders." Each of the independent claims, and dependent claims 5, 6 and 9, have been amended to recite "each trader of said plurality of traders." Accordingly, Applicant respectfully suggests that this rejection should be withdrawn with respect to the claims as amended.

Rejection of Claims under 35 U.S.C. § 101

The Office Action rejected claims 1–11 under 35 U.S.C. § 101 as not being directed to statutory subject matter. Independent claims 1 and 8, and dependent claims 2-

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7, 9 and 11, have been amended to more clearly tie the claimed process to another statutory class. Accordingly, Applicant respectfully suggests that this rejection should be withdrawn with respect to the claims as amended.

Rejection of Claims under 35 U.S.C. § 102(e)

The Office Action rejected claims 1-15 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Publication No. 2002/0169703 to Lutnick et al. ("Lutnick").

For the reasons set forth below, the claimed system is clearly distinguished over the cited prior art. As stated on page 1 of the Specification, prior to the present invention, there existed "a need for a method and system which allows traders to jump start a market, without exposing the traders to the risk associated with placing bids and/or offers." The present invention satisfies such need by allowing a requestor to request proposals ("RFP") on a financial instrument without exposing him/herself with an offer to trade. That is, the RFP can be responded to by other traders with "responses" (see, e.g., claim 1: "receiving … two or more responses to said RFP from two or more responders") – but the RFP can not be hit or lifted by any trader (see, e.g., claim 1: "said RFP not comprising an offer to trade"). The requestor may trade on the response, but is not required to do so (see, e.g. claim 1: "allowing said requestor to trade on said two or more responses during a first period").

In contrast, Lutnick discloses a protocol which encourages participants to make "active" bid / offers by giving the trader with the first-best active bid-offer the first right to lift/hit new offers-bids.

Lutnick does not disclose receiving a request for proposal ("RFP"). The bids / offers disclosed in Lutnick *can all be hit or lifted by other traders*. (See, e.g., ¶ 53: "Importantly, a Bid and Offer are commitments--once placed, a Bid can be "Hit" and an Offer can be "taken or lifted" by a Participant willing to trade the instrument at the set price or set of prices.") The "passive side" (Table 2) cited by the Office Action (e.g., ¶ 4) merely defines which "side of the trade" the trader's bid or offer is on. (See, e.g., ¶ 54: "A Participant who Hits a Bid or Lifts an Offer is promoted to a new level known as the 'Aggressor'. By acting on a Bid or Offer, the Aggressor defines (and thus establishes) the Active Side of the trade. For example, if the Participant hits a Bid, selling becomes the

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Active Side of the trade and buying turns *passive*. However, if the Participant takes an Offer, buying is active.") (emphasis added). "Passive side" as used by Lutnick is not synonymous with a request for proposal.

In fact, Lutnick clearly teaches away from the use of an RFP by encouraging participants to make "active" bid / offers by giving the trader with the first-best active bid-offer the first right to lift/hit new offers-bids.

Moreover, Lutnick does not disclose receiving responses to RFPs (see, e.g., claim 1: "receiving ... two or more responses to said RFP from two or more responders); transmitting responses to RFP's to a requestor (see, e.g., claim 1: "transmitting said two or more responses to said requestor"); allowing a requestor of an RFP to exclusively trade on said responses during a first period (see, e.g., claim 1: "allowing said requestor to trade on said two or more responses during a first period, each trader of said plurality of traders not being allowed to trade on said two or more responses during said first period unless said trader comprises said requestor); and allowing the responders and the requestor to exclusively trade on responses during a second period (see, e.g., claim 1: "at the expiration of said first period, ... allowing said two or more responders to trade on said two or more responses during a second period, each trader of said plurality of traders not being allowed to trade on said two or more responses during said second period unless said trader comprises said requestor or said two or more responders").

Accordingly, Applicant believes independent claims 1, 8, 12, 14 and 15 are patentable over the cited art.

Dependent claims 2-7, 9-11 and 13, depend on independent claims 1, 8 and 12, respectfully, and are believed patentable, *inter alia*, by virtue of such dependency. In addition, Applicant notes the following non-exhaustive list of distinctions, each of which render such dependent claims patentable. Claim 2 requires, *inter alia*, matching orders at the expiration of the first period and before allowing the two or more responders to trade on said responses. Claim 3, which further depends upon claim 2, further requires matching crossed orders. Lutnick does not teach a first period for allowing a requestor of an RFP to respond, and therefore does not teach matching orders "at the expiration" of such period. Claims 4 and 11 require, *inter alia*, migrating any responses which have not been traded at the end of the second period to the general market. Lutnick does not teach

RFPs or responses to RFPs and therefore does not teach migrating any such responses to the general market. Claim 5 requires, *inter alia*, transmitting responses to trading groups associated with the responders and requestor, "each trader not receiving said two or more responses unless said trader comprises a trader in said trading group associated with said requestor or at least one trading group associated with said two or more responders." Lutnick does not teach RFPs or responses to RFPs and therefore does not teach transmitting responses to RFPs to trading groups. Claim 6, which depends upon claim 5, further recites not allowing a trader to trade unless such trader is associated with a trading group of said requestor or responder, respectively. The "traders" and "contra-traders" as taught in paragraph 67 of Lutnick are not trading groups in accordance with the present invention.

Other Applications

The Applicant wishes to notify the Examiner of currently pending Application No. 09/678,222, filed on 10/4/2000, entitled "Method And System Of Creating Trading Orders For Electronic Trading Of Financial Instruments," to inventors Darius Gagne, Michiya Handa, Michael J. Tari, Neil A. Chris, and Jeffery R. Larsen (the "222 application"). Each of the independent claims (i.e., claims 1, 13, 25 and 26) of the '222 application are directed to methods of using a computer system in which:

(1) a price maker may submit an order having subject to confirmation order status;

(2) any of a plurality of traders may submit a query associated with the order having subject to confirmation order status; and

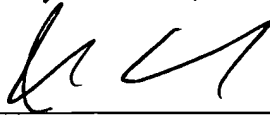(3) the price maker may change the order status to live order status.

The claims of the '222 application are currently rejected under 35 U.S.C. §103(a) over U.S. Patent No. 5,727,165 to Ordish et al. in view of U.S. Patent No. 5,297,031 to Gutterman and U.S. Patent No. 5,749,785 to Rossides. The '222 application is on appeal to the Board of Patent Appeals and Interferences.

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In view of the forgoing supporting remarks, Applicant respectfully requests consideration of the Response and allowance of claims 1-15.

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If the Examiner wishes to direct any questions concerning this application to the undersigned Applicant's representative, please call the number indicated below.

Respectfully submitted,

By _____
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